

Chapter Three: Analysis of City Services

Section One: Police

FY 2005 County Police Rebate	\$ 2,556,903
County Cost Rebate Estimate	\$ 3,288,243
City Cost Rebate Estimate (with administration and capital expenditures)	\$ 4,511,981
Actual City Expenditure (excludes general administration and capital expenditures)	\$ 4,430,447

Background

The City of Takoma Park is one of four municipalities in Montgomery County that maintains a municipal police department² and the only one to maintain a full-service municipal police force. The Takoma Park Police Department (TPPD) provides patrol, communications (dispatch), criminal investigation and special events support services.

The Takoma Park Police Department maintains an authorized strength of 41 sworn officers. It relies on the Montgomery County Police Department (MCPD) for additional support in limited circumstances, particularly when highly specialized response or investigative expertise is required.³ The Montgomery County Police Department deploys some 1,200 police officers throughout the County.

Takoma Park's responsibility for primary police coverage within the boundaries of the City began in 1949 when Takoma Park and Montgomery County initialed an agreement for the City to assume responsibility for response to calls for service. Today three agreements or Memoranda of Understanding (MOU) between the City Takoma Park and Montgomery County govern the operational relationship between the TPPD and the MCPD. These documents are:

- The Operational MOU, which describes the working relationship between the two departments;
- The Rebate MOU, which provides the formula governing County reimbursement of the City for police service the County is relieved of providing; and
- The Emergency Management MOU, which details the operations that would exist in the event of a declaration of a state of emergency.

Under state law, the County reimburses the City based on the level of service the *County would provide* were it exclusively responsible for providing police service in Takoma Park. The rebate does

² Police departments are maintained by the municipalities of Takoma Park, Rockville, Gaithersburg and Chevy Chase Village.

³ Specialized expertise maintained by the Montgomery County Police Department includes a high-risk entry team (SWAT), hostage negotiation assistance, hazardous materials crime scene search capability, and reconstruction know-how in the investigation of fatal auto accidents. Montgomery County is also capable of providing additional manpower, although this is rarely requested by Takoma Park.

not equal the actual cost the City presently incurs for police service. The final determination on the size of the County rebate, if any, rests with the County -- with no official recourse available to the City. This is the defining framework for all duplicative services provided by the City and County, regardless of the size of the tax bill that City residents pay to the City and the County.

The police rebate MOU requires the County and the City to meet and discuss the rebate formula every three years, or as requested by either party. The County and the City signed the current rebate MOU in January 2003.

Policing in Takoma Park is a large budget item. In FY05, the City budgeted \$4,430,447 for police services, representing nearly one-third of the City budget. The City received approximately \$2.5 million⁴ from Montgomery County to offset the duplicative payment by City residents of taxes to the County for police services. This is the largest County rebate received by the City in any duplicative service area, representing 77 percent of the total rebate monies received by the City. It offsets 56.4 percent of the City's expenditures on police services.

Thus, despite the relative size of that payment, it still means that Takoma Park residents ultimately pay twice as much for City police service than what they would pay if Montgomery County were the exclusive provider of police service to Takoma Park – at least according to the County and its administration of the rebate formula that generates the County's offset payment.

The current rebate formula reflects the amount the County would spend to provide police services to the City based on:

- The number of calls for service the City receives;⁵
- The County salaries of patrol officers and sergeants; and
- The County's costs for the operation and maintenance of its police vehicles

For FY05, this results in the County's payment of:

- Salaries, benefits and equipping of 28 patrol officers, 2 criminal investigation officers, and 3 sergeants,⁶ and

⁴ Two overall calculations determine the County's rebate for police services. State and County law (Article 81, Section 32A, of the State Annotated Code and Montgomery County Code 30A, by Resolution 9-1752 of the County Council) require the County to pay an amount that is 0.048 per \$100 of the assessed property in Takoma Park for police services. In FY05, that calculation yielded \$453,810 as payment by Montgomery County to Takoma Park for police services. Because that calculation so inaccurately represents the attributed costs of County police coverage, Montgomery County and Takoma Park since 1996 have devised a supplemental rebate, based upon the formula contained in a negotiated memorandum of understanding. In FY05 that amount was \$2,061,000.

⁵ The Takoma Park Police Department responded to approximately 20,000 calls for service in 2004. This number has decreased over the last three years, as have the number of reported crimes in the City. In its determination of the police rebate, the County applies a complex formula to the number of calls for service in Takoma Park, taking into account the severity of the underlying incident and other factors, arriving at an annual aggregate "weighted workload" for the department.

⁶ The County rebate reimburses the City for the salary of 33 patrol officers; the Takoma Park Police Department retains an authorized level of 41 sworn department positions. The City currently employs seven investigators.

- \$7,594 in patrol vehicle costs.⁷

In addition, the County has agreed to return \$121,738 to the City for its expenditures in the hiring of school crossing guards.

Rebates are paid by Montgomery County to the City of Takoma Park once a year based on the audited figures from two years prior, without a price index adjustment.⁸

As reflected in the table below, the city has spent nearly \$2 million more for the delivery of police services in FY05 than it receives from the County as reimbursement for duplicative police service. The City's net costs for police service represent a significant expenditure, representing 29 percent of the City's total FY05 expenditures.

Table 4. FY05 Takoma Park Police Department Budget and Rebate Allocation

Service	Budget	Rebate	Net Expenditure
Office of the Chief	432,445	-0-	432,445
Communications	348,645	-0-	348,645
Operations (Patrol)	2,419,851	1,829,000	590,851
Criminal Investigations & Witness Services	573,667	232,000	341,667
Administrative Services	655,839	-0-	655,839
County Code Specified Rebate		453,810	
Totals	\$ 4,430,447	\$ 2,514,810	\$ 1,915,637

The Committee believes that the \$2 million additional cost that Takoma Park residents pay for police service is due to two primary factors:

- The City of Takoma Park's conscious choice to provide police service that is more community-oriented and labor-intensive than the level of police service provided by Montgomery County; and
- The failure of the County to adequately recognize in its police rebate additional costs associated with what it would comprehensively spend were the County to extend police coverage to Takoma Park.

Options

In light of the above, two broad sets of options are available to the City.

⁷ The rebate for police vehicles is based upon an amortized value of the County's police vehicles, plus annual costs of maintenance, fuel and other costs. The City anticipates the County's FY06 reimbursement for patrol vehicles to be considerably higher -- \$12,345 -- due to the County's installation of PS2000 computer and communications equipment in its cars.

⁸ For example, the FY05 rebate is based on actual costs from FY03.

The *rebate reconciliation* options focus upon mutual corrective effort by the County and the City to assure that the underlying rebate formula more accurately reflects the County's entire attributed costs associated with the patrol, communications/dispatch and criminal investigative coverage.

After the County rebate is appropriately corrected, it also is helpful to identify those additional options that could bring further police cost-savings to the City through alternative delivery of certain police services to Takoma Park. The *alternative service delivery* option focuses on the potential transfer of certain Takoma Park police services to the County, thereby reducing City costs associated with its administration of a full-service police department.

Rebate Reconciliation

This option involves the City's more intensive pursuit of rebate coverage in certain areas of duplicative police costs. The Committee finds that the County rebate formula for police services does not sufficiently recognize the full range of costs associated with its patrol and criminal investigative services.

Specifically, the Committee finds that the County formula does not adequately recognize:

- County police patrol costs;
- County police overtime costs;⁹
- County police administration costs;¹⁰
- County communications costs;
- County police facility costs ;
- County police supervisory and command costs;¹¹
- County costs related to consumable materials; and
- Patrol incident follow-up costs.¹²

⁹ The current rebate formula does not take into account County police overtime costs, which are driven by considerable understaffing of the MCPD police force. The County Executive's FY06 budget request for 50 additional police officers each year for the next five years acknowledges County police understaffing.

¹⁰ A recent study commissioned by the City of Rockville estimated that County police administration costs associated with patrol operations increase the total patrol costs as much as 59%. *Policing the City of Rockville – A Study of Alternatives for the Provision of Police Patrol*, MAXIMUS, Inc., January 2004, at 58.

¹¹ The county rebate includes only Sergeants in their reimbursement formula for command staff. The span of control and shift assignments necessary for adequate County coverage of Takoma Park suggests that one or more lieutenant positions would be necessary, along with partial oversight by higher command levels.

¹² The County uses a "weighted workload" approach toward measurement of how much police effort – and ultimately dollars – are involved in police response to calls for service in Takoma Park. The weighted workload approach looks at the number of calls for service that the City receives and then calculates the amount of first-responder effort the County would have provided, based on the severity of the crime, need for back-up units and scene commander, etc..

Exploring Alternatives to City Delivery of Services

As noted above, the city currently spends nearly \$2 million more for the delivery of police services than it receives from the County as reimbursement for the City's delivery of police services. Even when the City receives an equitable County rebate that takes into account the areas described above, it is unlikely that the increase in revenue would entirely offset the City's police expenditure, due to economies of scale associated with the maintenance of a full-service police department and distinctive differences between City/County coverage.

Additional savings, however, could come about through a range of options of alternative police delivery services, including:

- Reductions in City police staffing and services, particularly reductions in response to certain kinds of service calls currently satisfied by the City;
- Shared responsibility for police service between the City and County; and
- The City's transfer of responsibility for the delivery of police service to the County

These options are described below.

Reductions in Takoma Park Police Service

The reduction of any governmental service always raises concerns. And the prospect of a reduction in police services – resulting in the public perception that personal and community safety may be endangered – may be especially problematic.

However, if Takoma Park residents are paying nearly twice as much for City police service than they would pay if Montgomery County were providing police services to Takoma Park, at least according to current County calculations, then it may be useful at the very least for the City to more thoroughly examine what the County level of police service embodies and whether that level of service represents an acceptable or unacceptable level were it applied to Takoma Park.

For example, the Montgomery County Police Department maintains a telephone call center to receive citizen reports of certain types of non-violent incidents (for example, non-violent auto theft) that MCPD considers do not require an immediate on-scene police response. The service call center prepares the report of the incident and enters it into MCPD's tracking system; follow-up on-scene investigative response by MCPD may or may not be required. The Takoma Park Police Department, on the other hand, dispatches one or more officers to nearly all calls for service to provide an immediate on-scene presence and also requires the patrol officer to provide any immediate investigative attention, if required and spend additional time writing-up the incident report.

If Takoma Park were to reduce its on-scene response to certain kinds of calls for service and instead handle calls for service in a manner similar to MCPD, that route is likely to result in savings, but

However, the County does not take incident follow-up activity into account. The Rockville police study estimated that police work unit time can increase by as much as 50 percent when incident follow-up activity is counted.

at what cost to resident satisfaction with policing in Takoma Park? Takoma Park residents are accustomed to an attentive “personal” style of police coverage that is an integral part of the City’s community-oriented policing strategy. The balance between costs and community policing should be more carefully studied to identify potential realignments in service coverage that minimally disrupt neighborhood policing and the integration of the police in the community.

Shared Responsibility for Police Service with the County

As noted previously, the City of Takoma Park is the only municipality in Montgomery County to operate and maintain a full-service police force, providing patrol, communications (dispatch), criminal investigation and special events support services. Rockville, Gaithersburg and Chevy Chase Village each rely significantly upon the County for police protection. Takoma Park’s reliance upon and collaboration with the County is much more limited. Interestingly, while Rockville and Gaithersburg possess populations three times larger than Takoma Park’s -- and square mileage more than five times greater -- both Rockville and Gaithersburg maintain a shared responsibility with Montgomery County for police services within their respective municipal boundaries.¹³ Montgomery County, however, does not reimburse Rockville, Gaithersburg or Chevy Chase Village for the police services that each municipality provides.¹⁴

The sharing of policing responsibility by the City of Rockville with Montgomery County relies upon Rockville’s performance of patrol services and the County’s receipt of 911 calls and the primary dispatch of Rockville police officers in response. Rockville assumes responsibility for the more community-oriented and personal aspects of policing with an emphasis on comprehensive community service, emphasizing positive, non-confrontational engagement by its police with residents of the community.

Rockville maintains a non-emergency dispatch operation and City dispatchers conduct record and warrant checks, after-hours dispatching for the City’s public works department, and monitoring of all City facility alarms. City dispatch officers handle front desk inquiries, such as walk-in complaints, and motor vehicle checks are performed by both Rockville and County officers. The Criminal Investigations Section operates as a group of investigative generalists utilizing knowledge of the local areas to resolve frequently occurring crimes not requiring extensive specialized training. The County police department provides investigative resources for major crimes and motor vehicle accidents resulting in fatalities.

According to a consultant study of the Montgomery County and Rockville police, the Montgomery County Police Department regards the Rockville police force as an excellent source of

¹³ To provide for adequate coverage, MCPD now maintains a separate district for Gaithersburg.

¹⁴ More recently, the City of Rockville has expressed concern about the fairness of the lack of any reimbursement by Montgomery County for its police services. A study in January 2004 for the City of Rockville by MAXIMUS, Inc., a consulting firm, concluded that a significant tax inequity on duplicative police coverage by Rockville existed, warranting the County’s return of at least \$1,757,364 to Rockville in recognition of the savings that the County receives from Rockville’s police services. The study also examined whether Rockville should expand its police force from a shared-force relationship with the County to one in which Rockville assumed all patrol duties. The study recommended that the City of Rockville refrain from expanding its police department to provide exclusive patrol services, [u]nless it is able to gain a significant portion of its tax payments that are now going to the County to fund patrol by County officers in Rockville ...” *Policing the City of Rockville – A Study of Alternatives for the Provision of Police Patrol*, MAXIMUS, Inc., January 2004, at 3.

intelligence about crime patterns and repeat offenders, information that is readily exchanged due to the day-to-day interaction between the MCPD and Rockville police. This provides for tracking of Part 1 crimes, sex offenses, weapons violations, drug offenses and even vandalism problems. Concurrent use of the same radio system by the MCPD and the RPD also provides for helpful information exchange, especially on activity adjacent to the Rockville boundaries. The consultant study compared the degree of MCPD collaboration with the Takoma Park police and noted that some MCPD officers observe that they are “may be missing important intelligence about such things as crime spillover because Takoma Park is now a completely separate department.”¹⁵

The relatively successful experience of shared responsibility for police services between the cities of Rockville, Gaithersburg and Chevy Chase Village and Montgomery County warrant Takoma Park’s serious examination of the prospect of shared policing coverage by Takoma Park and the County. Takoma Park-Montgomery County police partnerships could involve, for example, shared TPPD/MCPD patrol coverage in the City, integrated communications (dispatch) responsibility, as well as the assumption of primary criminal investigation responsibility by Montgomery County. Each of these areas, the Committee believes, should be explored with attention to their benefits and costs. While the savings to the City of Takoma Park could be attractive, the dimensions of shared City-County police responsibility are complex. The change in the character of the police coverage and police interaction with Takoma Park residents could pose significant changes. Regardless, so long as the City of Takoma Park continues to provide substantial police coverage to Takoma Park in ways that reduce the County’s police burden, the City’s entitlement to a fairly valued County rebate for police services should remain undisturbed.

The Committee devoted particular attention to the merits and savings associated with two partnership options: greater integration by the City and County of police communications and patrol dispatch responsibility, as well as the potential transfer by the City of primary criminal investigation responsibility to the County. These two options are described below.

Police Communications (Dispatch)

The City’s police department maintains a 24-hour communications function, dispatching TPPD patrol units to calls within the City, conducting records and warrant checks, receiving front desk inquiries and maintaining round-the-clock reception and building security role at the Municipal Building. The Department employs six full-time dispatchers and currently has a vacancy of two dispatchers and one supervisor. Salary costs associated with TPPD dispatch personnel in FY05 are \$349,000.

The potential transfer by the City of Takoma Park of police communications and dispatch responsibility to Montgomery County would involve the City’s principal reliance upon the Montgomery County Police Department’s communications system, including the County’s receipt of calls for service and dispatch of Takoma Park patrol officers to incidents in Takoma Park. It would set aside the City’s use of its current radio console and rely upon the County’s current radio communication and dispatch system for the dispatch of City’s officers and patrol cars. Communications work station linkage by TPPD command with the County and other jurisdictions, as well as contact with TPPD officers and patrol cars, would be retained.

¹⁵ *Id.* at 37.

The transfer to MCPD of Takoma Park's police dispatch coverage would involve staffing and technological realignments. Six police dispatchers are currently employed by TPPD. Cost savings could be accrued through the elimination of their positions. However, their performance of additional non-dispatch-related administrative responsibilities for TPPD, as well as the provision of after-hours front desk reception for the municipal building, would need to be absorbed by current or additional staff.

The technological implications of dispatch transfer are more considerable. If the City continues to *retain* police communications and dispatch responsibility, it faces upgrade and maintenance costs in the short run. The software and hardware associated with the TPPD radio console is becoming increasingly outdated and limited in the services it can provide. If the TPPD retains its dispatch capability, it faces costs up to \$90,000 to update the radio console, particularly to integrate it with the County's Computer Aided Dispatch (CAD) and Record Management System (RMS). The precise upgrade costs will be defined ultimately by the level of integration with the County that the City pursues. Transfer of TPPD dispatch responsibility to the County would permit the City to avert a significant amount of that upgrade expense.

The Committee believes that the cost-savings associated with TPPD's transfer of dispatch responsibility to the County warrant further in-depth study. This is a complex issue, but one that could provide financial benefits to the City if realignment of the communications function maintains or improves the operational capability of Takoma Park's police force.

Criminal Investigation Division (CID)

The CID has responsibility for responding to and investigating all Part I offenses (murder, rape, robbery, burglary, etc.) The TPPD deploys seven officers for this function with an operating cost for FY05 of \$574,000. Montgomery County's police rebate provides \$232,000 to the City of Takoma Park for criminal investigative services. This means that the City expends \$342,000 more for detective and criminal investigative work than it would be required to spend, according to County rebate calculations, were the County to assume responsibility for some of the criminal investigative services in Takoma Park.

The transfer of *partial* criminal investigative responsibility to MCPD for incidents occurring in Takoma Park would build upon the considerable expertise and resources the County maintains in the investigation of homicides, rape, major narcotics, sex crimes, and other crimes. The transfer of criminal investigative responsibility by the City to Montgomery County for some crimes would not eliminate all seven positions in the TPPD criminal investigation division. The TPPD's maintenance of a streamlined criminal investigation unit would retain TPPD responsibility for burglaries, street robberies, theft and auto theft, with responsibility held by one or more Station or District Detectives on the Takoma Park force. The Station or District Detective position is an eligible position for County reimbursement under the current rebate formula. Preservation of some criminal investigation responsibility within TPPD also would provide Takoma Park police officers with further incentive to remain with the Takoma Park force, offering experience and a 'piece of the action' in more interesting cases. City and County investigators already confer on some cases, sharing information on incidents potentially involving a serial perpetrator and other trends. According to TPPD officials, the City would still need to retain at least two officers and possibly a supervisor to handle Internal Affairs and EEO complaints and to follow-up on lesser offenses (Part II offenses).

Transfer of the Entirety of Police Operations to the County

As noted previously, police services in Takoma Park currently constitute nearly one-third of the entire City budget, and Takoma Park residents pay nearly twice as much for City-staffed police coverage than other Montgomery County residents pay, according to County rebate calculations. The case for equitably increasing the County's police rebate, the Committee believes, is considerable. If rebate enhancement or pursuit of the shared service delivery options detailed above cannot be achieved, then comprehensive assessment of all options includes one final choice. This involves the transfer of the entire police service responsibility from the City of Takoma Park to Montgomery County.

Obviously, this option is the most far-reaching, and it does not bear the endorsement of the Committee. However, the County could potentially provide *adequate* police services for the residents of Takoma Park – at a considerable cost savings to Takoma Park and its residents. Montgomery County's assumption of police responsibility would generate economies of size and a consistency of operation throughout much of the county.

No other municipality in Montgomery County similar to or greater in size to Takoma Park has ceded full control of policing to the County. This option could result in a reduction in personalized, community-oriented policing, loss of local control and increased response times to calls for service were MCPD to assume full control.¹⁶

Should the City consider exploration of this option because of its cost savings, it obviously would require extensive dialogue with the community about its implementation and implications.

Summary

The County rebate -- \$2.5 million in FY05 -- represents only about half of what the City spends on police services, in large measure because the County contends that it would not, in the absence of a municipal police force, provide the same level of protection and services that the City currently provides.

The Committee offers the following recommendations regarding police services, which may generate about \$1 million annually:

- The City should seek a higher rebate from the County for costs currently not fully recognized by the County, including those associated with:
 - Police patrol and follow-up
 - Administration
 - Facilities
 - Supervisory and command personnel
 - Communications

¹⁶ The average response time for calls received by the Takoma Park Police Department is three minutes; the Montgomery County Police Department patrol deployment design standard is seven minutes.

- Other areas

- The City should seek a larger portion of the State Police Grant.
- The City should investigate the option of a “shared patrol” police force, modeled on the arrangements currently existing in Rockville, Gaithersburg and Chevy Chase Village, in which city officers handle the “personal” aspects of policing while the County handles major crimes and fatal accidents.
- The City should investigate the option of transferring all or some of the duties for “911” communications and dispatch to the County.
- The City should investigate the option of transferring a portion of its criminal investigation responsibility to the County.

The Committee also considered other options, including the transfer of all police services to the County for a savings of approximately \$2 million annually, but the Committee did not recommend this option since it would result in a reduction in personalized services, local control and efficiencies such as response time.

Section Two: Public Works

FY 2005 County Road Maintenance Rebate	\$ 339,903
County Cost Road Rebate Estimate	\$ 581,756
City Cost Road Rebate Estimate (with administration and capital expenditures)	\$ 974,609
Actual City Road Expenditure (excludes gen. administration and capital expenditures)	\$ 787,820

Background

The mission of the Takoma Park Public Works Department is to maintain the public infrastructure and physical assets, and to provide safe and sanitary conditions for city residents and employees. The Public Works Department employs an administrative staff, field staff, and a city engineer to implement six programs: building maintenance, vehicle/equipment maintenance, right of way maintenance, solid waste management, urban forest and gardens, and a storm water management fund.

The only significant difference between the mission of Montgomery County Public Works and Transportation Department and the mission of Takoma Park's Public Works Department is the County's operation of Ride-On buses and related services.

The City maintains 34.60 miles of residential streets but does not own or maintain the following state roads: Piney Branch Road, Philadelphia Avenue, Ethan Allen Avenue, New Hampshire Avenue, Carroll Avenue, Flower Avenue (between Piney Branch and Carroll Avenue only), University Boulevard, and Sligo Creek Parkway.

City road crews take care of snow removal from streets and public sidewalks, street cleaning, leaf removal, and upkeep of public spaces in commercial areas such as Old Town, Takoma Junction, and the Takoma/Langley commercial development area. Renovations of curbs, gutters, sidewalks and street paving are managed by the city engineer, who is assigned to the Public Works Department.

City park crews handle the maintenance and improvements of several city-owned parks, including Jequie, Spring, Forest and Jackson-Boyd, as well as other public grounds and gardens. The City's arborist is a member of the Public Works staff and oversees the nurturing and replenishment of Takoma Park's urban forest, including trees located on private property.

City solid waste crews handle the collection of refuse, recyclable materials, leaves, yard trimmings and bulk items.

Findings

The City provides a duplicative service in three areas:

- Solid waste management;
- Park maintenance; and
- Road maintenance.

The FY05 budget for public works was \$3,189,784 and supported a staff of 33.07 full-time equivalents. However, under the current accounting system the City cannot determine precisely how much of the costs of overhead, administration, equipment maintenance and capital outlays should be attributed to road and park maintenance. According to the City's FY05 budget, the only identifiable personnel and operating costs attributed to road maintenance are the crack filling program (\$102,611), street sweeping costs (\$49,052), and leaf collection costs (\$112,774).

The City received \$411,643 in public works-related rebates from Montgomery County to reimburse Takoma Park for:

- Road maintenance (FY05: \$339,903)
- Park maintenance (FY05: \$71,740)

The County does not provide the City a rebate for solid waste management (trash collection) services. Takoma Park residents are exempt from a special fee that Montgomery County residents pay for solid waste management services provided by the County.

In 1996, Montgomery County established a Tax Duplication Task Force to develop an equitable reimbursement formula for transportation expenditures. The proposed formula focused on two components: the County's cost of road maintenance, and the percentage of County expenditures paid for with property taxes. Accurate reference to the County's costs for road maintenance is important because under state law, the County reimburses the City based on the level of service the County would provide were it exclusively responsible for providing road maintenance in Takoma Park. The rebate does not equal the actual cost the City presently incurs for road maintenance – it rests upon what the County's costs are.

Roads

The City's known cost for road maintenance in FY05 was \$787,820, though this number does not include capital expenditures, administrative overhead, vehicle maintenance costs or costs of servicing a new \$2 million bond to accelerate road repairs.

The County rebate for road maintenance was \$339,903. However, the County subtracted a percentage of the \$355,786 the City received in FY05 from the State of Maryland in highway funding.

The current rebate is based on a payment-per-mile multiplier of \$15,763. The variables are: roadway maintenance, bridge maintenance, storm damage, roadway resurfacing, capital improvement projects, traffic signs and pavement markings, and street light maintenance costs. Overhead and administrative costs, as well as capital outlays, are not included.

Only the percentage of County costs paid for by property taxes is counted as part of the formula. Highway user revenues and other special charges and fees are not counted. In FY05 those miscellaneous funds paid for 38.3 percent of the County's road expenditures, while property taxes paid for 61.7 percent. The percentages have changed little since 1996.

A specific rebate exists for bridge maintenance, calculated at \$16 per bridge, an inadequate amount to maintain the safety of Takoma Park's two bridges.

Parks

The park maintenance rebate from the County is \$71,740, and the City's cost for maintaining the parks was \$266,080 in FY05. The City's cost includes \$137,160 on general playground and grounds maintenance and \$113,920 in the gardening division designated for maintenance of landscaping in parks and gardens, as well as an estimated \$15,000 for the arborist's care of trees on public property.

It is not known how the rebate currently is calculated. The original formula was based on a cost accounting system used by the Maryland-National Capital Park and Planning Commission in FY88. The County continues to use the 1988 formula, indexed for inflation, although the accounting system is no longer in operation. At this point, neither county nor city staff was able to tell the Committee the variables that form the basis of the formula.

It is known, however, that administrative costs, overhead costs and capital outlays are not included in the rebate.

The tax duplication calculations for parks can be confusing due to the varying funding sources and agencies involved. The park jurisdiction is shared among Takoma Park, Montgomery County and the Maryland-National Capital Park and Planning Commission. A summary of responsibilities and funding sources are included in Appendix D, "Overview of Governmental Responsibility for Parks, Recreation, Public Works and Planning in Takoma Park."

In general, the City maintains city parks better than the County maintains county parks within the city limits. Ceding park maintenance to the County likely would lead to diminishing services and unsightly parks. Because of the distant location of the County's nearest maintenance yard, in Bethesda, and associated problems with rush-hour traffic, county crews are not able to schedule the requisite number of grass mowings, cleanups and other maintenance work in Takoma Park. The City has discussed assuming maintenance of county parks located inside the city, but since the County would not agree to subsidize this transfer, the City declined to take on the additional cost.

Solid Waste Management

The City and County's services for collecting refuse, recyclable materials and yard trimming are similar, except the City accounts for leaf collection as part of road maintenance. Despite this duplication, however, the County pays no rebate to the City.

The City's estimated cost for managing solid waste is \$189 per participating household, plus a mandatory base system charge of \$40, totaling \$229. By comparison, the County calculates its cost for the same service at \$323 per household. The County charge appears on a property owner's tax bill as a fee whereas the City's cost is bundled into the property tax. This distinction allows Takoma Park homeowners to write off the cost of solid waste management on their income taxes.

In terms of homeowners, the City's current cost structure is progressive since owners of more valuable homes pay more in property taxes than owners of less valuable homes. It should be noted that tenants and apartment-building owners do not receive any solid waste services even though they contribute to the general property tax base. Certain condominium residents pay for solid waste management via property taxes even though city crews do not pick up their trash or recyclables.

Table 5. Summary of Solid Waste Management Services

Takoma Park Services	Montgomery County Services
Refuse, yard trimmings, recycling	Refuse, yard trimmings, recycling
\$10 fee for 5 items per special pick up	4 free special pickups for bulk items (e.g., furniture and non-recyclable items)
	Unlimited special pickup for white goods (e.g., appliances or metal that's recyclable)
	Leaf Collection – 2 pickups during fall

Table 6. Summary of Montgomery County Waste Service Charges¹⁷

Montgomery County - solid waste collection and leaf jurisdiction¹⁸	Cost
Disposal Charge (base x billing rate of 1.01288)	\$ 52.67
Base System Charge	39.69
Incremental System Benefits Charge	96.92
Refuse Collection Charge	66.00
Leaf Vacuuming Charge	67.78
Total	\$ 323.06

¹⁷ The summary Waste Service Charge tables are included to illustrate what a Takoma Park household would pay if the service were provided by the County. Note that the County charges are fees and the City costs are incorporated in the general property tax rate, paid for by all property-tax payers, not just the 4,270 homeowners who receive the service. Another difference is the special pickup of bulk items. The City charges residents \$10 for five items per special pickup whereas the County provides four special pickups for bulk items that cannot be recycled and unlimited pickup for metal items that can be recycled (so-called "white goods," such as appliances).

¹⁸ FY05 Solid Waste Service Charges to Be Collected Via Real Property Accounting. Montgomery County Web Site: http://www.montgomerycountymd.gov/content/finance/pdf_finInfo/LevyYear2004/FY05SolidWaste%20Bill.pdf

Table 7. Summary of Takoma Park Waste Service Charges¹⁹

City of Takoma Park²⁰	Program Cost	Cost per household served²¹
Base System Charge		\$ 39.69
Refuse Program (4,300 tons annually)	\$ 453,873	120.00
Recycling Program (1,400 tons annually)	187,521	49.00
Yard Trim Program (450 tons annually)	45,833	20.00
Appliance Collection (less est. revenue \$8,000)	3,645	.85
Leaf collection costs (less est. revenue \$20,000)	92,774	21.72
Total	\$783,646	\$ 251.26

Options and Recommendations

Generating additional revenue for public works in Takoma Park

Recommended options:

- **Pursue Higher Rebate:** The City should seek a higher rebate from the County for road and park maintenance by adding in the County's costs of overhead and capital. Prior to a new negotiation, however, the City should establish a better accounting system to itemize those costs. This option is expensive and requires technical assistance, but failure to know the actual costs could leave the City short-changed during negotiations;
- **Consider Contracting Road Maintenance to the County:** The City should ask the County for a cost estimate of contracting out road maintenance to county staff. If the estimate affords the City an opportunity for substantial savings, the City should consider contracting with the County for this service. However, city residents must consider that the County may not respond to their requests in a timely manner;
- **Request County Audit:** The City should request an audit of the County's expenditures supported by property taxes, which may result in a more accurate rebate both for road and park maintenance; and

¹⁹ The summary Waste Service Charge tables are included to compare County fees to what a Takoma Park household would pay if the service were provided by the County. Note that the County charges are fees and the City costs are incorporated in the general property tax rate, paid for by all property-tax payers, not just the 4,270 homeowners who receive the service. Another difference is the special pickup of bulk items. The City charges residents \$10 for five items per special pickup whereas the County provides four special pickups for bulk items that cannot be recycled and unlimited pickup for metal items that can be recycled (so-called "white goods" such as appliances).

²⁰ Proposed FY05 Budget: Public Works. 4/30/04

²¹ Cost per household only assumes 4,270 households and does not include payments to the general property-tax base from non-household entities. The cost for non-households is difficult to calculate. It should be noted that many other property-tax payers contribute to the solid waste management cost, so the actual cost per household is lower than the \$251.26 estimate.

- Renegotiate Park Rebate Formula: The City should renegotiate the 1988 rebate formula for park maintenance since the accounting system on which the formula is based no longer is being used. The City should attempt to add overhead and administrative costs for park maintenance to the formula.

Alternative options for delivery of road, park & solid-waste services

Options that are not recommended:

- A transfer of trash pickup and recycling to the County: The City would gain savings on personnel and overhead by eliminating its current inventory of two trash trucks, one recycling truck and a cardboard-collection truck, as well as the current work force of four drivers and four laborers. However, without these employees, the City would lack a six-member snowplow crew during winter months and personnel for other seasonal duties, such as leaf collection. The effect on Takoma Park homeowners also may not be entirely beneficial. They would have to pay a fee to the County for solid waste services that cannot be deducted on income tax returns in the same way as deductions for property taxes;
- Transfer of park maintenance to the County: The City is in a better position to respond to residents' concerns and to address maintenance issues in a timely manner. If the County handled maintenance, it is highly likely the parks would deteriorate. Grass cutting and cleanup of city parks would occur less frequently; and
- Cede road maintenance to the County: It is unclear what effect this would have on road quality, although it should be noted the City is currently undertaking special remedial efforts to bring roads up to standards, funded with a \$2 million bond taken out in 2004. Also, the County could reject any unilateral attempt to cede road maintenance since the City owns its roads.

Summary

In FY05 the County rebated to the City \$339,903 for road maintenance and \$71,740 for park maintenance. The City's known cost for road maintenance in FY05 was \$787,820; for maintaining parks and public grounds it was \$266,080. Neither cost included capital expenditures, administrative overhead, vehicle maintenance or debt service.

The Committee offers the following recommendations for public works:

- The City should seek a higher rebate from the County for road and park maintenance by adding in the County's costs of overhead, administrative expenses and capital expenditures;
- The City should ask the County for a cost estimate of contracting out road maintenance to County staff. If the estimate affords the City an opportunity for substantial savings, the City should consider contracting with the County for road maintenance;

- The City should also request an audit of the County's expenditures supported by property taxes, which may result in a more accurate rebate both for road and park maintenance; and
- The City should renegotiate the 1988 rebate formula for park maintenance since the accounting system on which the formula is based no longer is being used.

Section Three: Recreation and Parks

FY 2005 County Parks Rebate	\$ 71,740
County Cost Rebate Estimate	\$ 75,678
City Cost Rebate Estimate (with administration and capital expenditures)	\$ 315,684
Actual City Expenditure (excludes general administration and capital expenditures)	\$ 266,080

FY 2005 County Recreation Rebate	\$ -
County Cost Rebate Estimate (Insufficient information to make estimate)	\$ -
City Cost Rebate Estimate (with administration and capital expenditures)	\$ 887,029
Actual City Expenditure (excludes general administration and capital expenditures)	\$ 1,045,394

Background

An understanding of the current state of the City's delivery of recreation and park services rests upon the City's unique relationship to Prince George's County and Montgomery County. In 1927, the State of Maryland created the Metropolitan District for Montgomery County and Prince George's County, allowing local municipalities to opt out of paying a county property tax earmarked for recreation and parks. Rockville, Gaithersburg and Greenbelt chose to operate their own programs. Takoma Park decided instead to rely on both Montgomery and Prince George's counties as a primary source of recreation and park services.

Forty years later in 1967, Takoma Park established its own Recreation Department but again did not attempt to opt out of paying either the recreation or parks property tax. Montgomery County continued to provide numerous recreation programs within the City, including camps, adult classes and access to the pool at Piney Branch Elementary School. Prince George's County ran several successful programs from the recreation center and gym on New Hampshire Avenue, near Langley Park.

Meanwhile, the City focused the delivery of its recreation services, such as summer camps, to low-income families. The scope of the City's offerings expanded in the 1980's and 1990's but was hampered by the loss of three Montgomery County facilities within the City – one by fire, and two for safety reasons.

In 1997, following unification of Takoma Park entirely within Montgomery County, the City began to assume more responsibility for recreation and parks. The Prince George's County recreation staff withdrew from the City and transferred the New Hampshire Avenue recreation center to Montgomery County, which subsequently turned over operations of the facility to the Takoma Park Recreation Department through a memorandum of understanding. In the late 1990's the City also negotiated MOUs with the Maryland-National Capital Park and Planning Commission (M-NCPPC) and with Montgomery County Public Schools (MCPS) for permitting rights to the athletic fields adjacent to Piney Branch Elementary and Takoma Park Middle Schools. These arrangements allowed the Takoma Park Recreation Department, along with local volunteer-run nonprofit groups, to expand programming.

The changes also coincided with a decision by Montgomery County to eliminate recreation offerings inside Takoma Park and concentrate its programs at widely dispersed community centers, the nearest of which is the Long Branch community center on Piney Branch Road, outside city limits. In 2003, Montgomery County transferred operations of the Piney Branch Elementary pool to the YMCA, marking the end of county staffing of recreation programs and facilities inside Takoma Park.

Today the Takoma Park Recreation Department is the sole provider of government-run recreation services inside City limits, offering after-school programs, classes, sports and other activities at public schools, parks and fields, the New Hampshire Ave. facility and the current municipal building. Takoma Park's new community center, scheduled to open in stages in 2005, will be the first City-owned recreation facility. It will be a large venue for indoor programs and is expected to afford another significant increase in recreation services.

Municipal Comparisons

Understanding of Takoma Park's recreational programs is also assisted by comparison to nearby municipalities. Over decades, both Rockville and Gaithersburg developed a large infrastructure for recreation and parks. Rockville owns two community centers, two gyms, seven neighborhood centers, a theater, a senior center, a swim center, a skate-park, numerous sports fields and a golf course. Plans are in development for a third community center and a gym. Gaithersburg owns a community center, two gyms, a senior center, an outdoor pool, athletic fields, a skate-park and has plans to build a second community center and third gym.

Greenbelt, a bedroom community in Prince George's County that is demographically comparable to Takoma Park, owns and maintains a community center, two youth centers, three gyms, athletic fields and an aquatic-fitness center.

Comparison of Takoma Park and Nearby Municipalities

Table 8. FY05 Municipal Spending on Recreation and Parks

Municipality	Population	Recreation & Parks Spending (Total)	Recreation & Parks Spending (Per Capita)
Rockville	47,388	\$15,546,491	\$ 328
Greenbelt	21,456	\$4,111,900	\$ 192
Gaithersburg	57,242	\$7,498,763	\$ 131
Takoma Park	17,299	\$1,316,080	\$ 75

As the above chart reflects, Rockville has budgeted \$328 per capita in operating expenses for recreation and parks, Greenbelt \$192 per capita, and Gaithersburg \$131 per capita, all considerably more than Takoma Park.

Although the number and quality of recreational facilities within Takoma Park, as well as City spending on recreation and parks, is far less, Takoma Park in recent years has acquired control over the New Hampshire Avenue center and gym, two large athletic fields, and is nearing completion of a

community center. The City currently has an operating budget of \$75 per capita for recreation and parks which will increase approximately \$13 with the opening of the community center.

Findings

The City's recreation program is funded by general revenues. The FY05 budget is \$1,049,000, including \$75,000 for half-year staffing of the community center. Additionally, \$266,080 is budgeted for city-owned park and public grounds maintenance carried out by crews of the public works department.

Takoma Park residents, meanwhile, collectively paid \$10.4 million in property taxes to the County in FY05, of which \$826,800 was allocated to the M-NCPPC and \$258,440 was designated by the County as the recreational tax.

Montgomery County pays the City an annual fee of \$100,000 to operate the New Hampshire Avenue facility and a \$71,740 rebate for park maintenance. In addition, the County contributed a cumulative \$2,300,000 in capital funds for Takoma Park's new community center. However, the County has not made any commitment to Takoma Park for assistance related to the operation and maintenance of the community center and programs therein.

Options and Recommendations

Building additional recreation facilities and expanding recreation programs in Takoma Park will require either increased revenue or the reprogramming of funds. The Committee believes reprogramming of funds is a policy judgment reserved to the City Council, but the Committee has considered options to assist the City in generating additional revenue.

Generating additional revenue for recreation & parks in Takoma Park

The following option is highly recommended as a means of gaining a tax cut for city taxpayers:

- **Opt Out of the County Property Tax Earmarked for Recreation:** Although Takoma Park did not opt out of paying the County recreational tax in 1927, it is not foreclosed from reversing that situation. Today, the absence of county recreation programs within the City, the Takoma Park Recreation Department's expanded delivery of services, and the imminent opening of Takoma Park's community center collectively make the argument that the City should no longer be obligated to pay the annual recreational tax of approximately \$250,000. To opt out of the tax, the City must secure approval from the County.

The following options are recommended as a means of increasing revenue for city taxpayers:

- The Committee recommends the City request an additional annual payment from the County to cover ongoing operating expenses for recreation. This should be a set payment not open to regular revisions, similar to the payment for operations of Takoma Park’s library.
 - Negotiate an Annual Payment from the County for the City’s Delivery of Recreation Services: A substantial number of non-city residents participate in and benefit from the use of city programs, including underserved young people in nearby Silver Spring. The Takoma Park Recreation Department reports that non-city residents account for about 20 percent of those enrolled in city-run recreation programs. At the same time the City is required to provide recreation services to its own residents because the County no longer offers easily accessible programs, especially for the large percentage of city residents who work long hours and rely on mass transit. Even programs at the Long Branch community center are targeted to county residents in an area much greater than Takoma Park and are not geographically convenient to such Takoma Park population centers as the Maple Avenue apartment corridor. Montgomery County itself has recognized the breadth of need for recreation services in the down-county area and the singular role the City plays in addressing that need. County funding assistance for construction of Takoma Park’s community center – to date totaling more than \$2 million – testifies to the County’s ongoing commitment to support the delivery of recreation services locally.
- The Committee recommends the pursuit of a rebate as a third option, less preferable than an opt-out of the recreational tax or a set annual payment.
 - Negotiate a Rebate from the County Due to the Elimination of Proximate Recreation Services: Another alternative lies in the payment of a rebate for the recreational spending the City has taken on as a consequence of the County’s withdrawal of close-in programming. An equitable rebate, the Committee believes, should be greater than the \$100,000 the County currently pays each year. On the other hand, a rebate negotiation is complex and subject to renegotiation.

The Committee considers the following option to be less viable than the three options listed above:

- Negotiate an Abatement of the Maryland-National Capital Park and Planning Commission Tax: There is no way to determine how much of the approximately \$800,000 in Takoma Park taxes allocated each year to the M-NCPPC is spent on services within city limits, but M-NCPPC does attend to the Sligo Creek and Long Branch park systems as well as other parks (Opal Daniels, Takoma-Piney Branch, Takoma Urban Park, SSI Park, Takoma Park South Neighborhood Park, Takoma Park Neighborhood Park and the grounds at the recreation center on New Hampshire Avenue). It would be difficult for Takoma Park to follow the lead of Rockville and Gaithersburg, both of which pay essentially no M-NCPPC taxes and receive no direct benefits, because M-NCPPC

historically has not been willing to transfer maintenance of any section of the Sligo Creek and Long Branch park systems.

Exploring alternatives to city delivery of recreation services

The Committee considered other options to improve local recreation services through partnerships with outside entities that would not necessarily result in an increase in City expenditures. In addition, the Committee considered whether savings could be obtained through divestiture of City recreation services to Montgomery County or to a private entity.

- The Committee recommends the City be creative and aggressive in finding new partners for recreation programming, bearing in mind the underserved must have fair access to the programs.
 - Pursue Partnerships with Public and Private Entities for Recreation Programs. With the opening of the new community center, opportunities will exist for the City to form relationships with other providers of recreation services, such as the Liz Lerman Dance Exchange. In such partnerships the City could make space available in exchange for delivery of services.
- The Committee recommends the City explore the possibility of gaining access to such facilities on a partnership basis for the enhancement of recreation services.
 - Pursue Partnerships with Public and Private Entities for Access to Facilities. Although the City already makes use of available space in the local public elementary and middle schools, other facilities may be available at Montgomery College and Columbia Union College.

Options that are not recommended:

- Transfer Recreation Programs to the County. Savings to the City would undoubtedly be realized, not only in current expenditures but in future costs to build, maintain and staff city-owned facilities and programs, if the City were to return to the era of dependence on the County for recreation services. However, a transfer of recreation services to the County would effectively terminate most or all of the programs currently provided inside city limits. Even if the County agreed to operate the New Hampshire Avenue recreation center, which the County has heretofore declined to do, that facility has limited capacity and is difficult for many city residents to reach. Nor does it seem likely the County Recreation Department would be inclined to operate programs out of the city-owned community center since the County is already staffing the Long Branch community center. The net result of a transfer to the County almost certainly would be far fewer recreation services for city residents, especially for the underserved; and
- Contract with a Private Entity to Provide Recreation Programs inside the City. Takoma Park residents value the special understanding the City recreation staff has for designing and operating programs. Recreation staffers drawn from Takoma Park have been able to build and sustain relationships with their clientele, particularly youth, that would be difficult for contractors to develop. While outsourcing program administration to an outside entity such as the YMCA could theoretically bring savings due to administrative efficiencies, the savings would be minimal, and

outsourcing could sacrifice responsiveness to the underserved and reduce the full measure of accountability now enjoyed.

Summary

Today the City is the sole provider of government-run recreation inside city limits, offering after-school programs, classes, sports and other activities. Except for a \$100,000 annual payment for operating expenses at the New Hampshire Avenue facility, and a \$71,740 for park maintenance, the City receives no additional rebates.

The Committee offers the following two primary recommendations for recreation and parks:

- The City should request opting out of paying the county recreation tax. If successful, this would mean a direct savings to city taxpayers of an estimated \$250,000 each year; and
- The City should request a set annual payment from the County to reflect the City's provision of recreation programs to underserved populations, including those who live outside the city limits in nearby neighborhoods.

Section Four: Housing and Community Development

FY 2005 County Housing Rebate	\$ -
County Cost Rebate Estimate (Insufficient information to make estimate)	\$ -
City Cost Rebate Estimate (with administration and capital expenditures)	\$ 945,032
Actual City Expenditure (excludes general administration and capital expenditures)	\$ 994,607

Background

The Takoma Park Department of Housing and Community Development has four divisions:

- Housing -- oversees landlord-tenant relations, monitors rental rates under the rent stabilization law and assists tenants who wish to convert apartments into condominiums or cooperatives.
- Code Enforcement -- responsible for licensing and inspections of all housing and commercial property in Takoma Park.
- Community and Economic Development -- works on several issues that relate to the economic and physical well-being of the City with a focus on transportation, economic development and development review.
- Grants Management -- works with the Community Development Block Grant Community Advisory Committee to review proposals and present recommendations to City Council for the use of federal block grant funds.

Findings

The Department of Housing and Community Development is supported by a FY05 budget of just under one million dollars. Revenues from grants or fees result in a net cost lower than the budgeted cost for some services, but the revenues fluctuate annually.

Table 9. FY05 Housing and Community Development Budget and Associated Revenues

City Service	FY05 Budget	Associated Revenue
Administration	\$102,000	None
Housing, which includes affordable housing, landlord-tenant affairs and COLTA.	271,000	\$17,000 for Capacity Building–Community Development Block Grant
Code Enforcement	290,000	\$175,000 rental license fees
Community Development	235,000	For FY05, the City has secured \$375,000 in new grants ²² - note that these grants are used for other projects and do not replace the funds expended securing them.
Grants Management	97,000	

The City receives no rebate from the County even though some of the services provided by the City's Housing and Community Development Department are similar or duplicative.

- Housing: The City's housing functions, such as landlord-tenant mediation and the facilitation of affordable housing, could be administered by the County. However, the County has rejected any transfer due to the City's rules governing rent stabilization and the "excessive" paperwork involved in monitoring apartments unit by unit, each of which can have a differing allowable rental rate.
 - The City's rent stabilization program also impedes divestiture of landlord-tenant affairs and COLTA (Committee on Landlord-Tenant Affairs). Because city and county codes differ significantly, a transfer is precluded. However, the City's handling of these services does reduce the County's workload, for which the City is arguably due a rebate. The lower rents that result from rent stabilization also make a significant contribution to the County's announced goal of affordable housing, for which the City is not compensated.
 - COLTA and the handling of landlord-tenant affairs cost the City a combined \$199,000 in FY05. (Additional COLTA costs are contained in General Government accounts that pay for legal services, averaging approximately \$100,000 annually for FY04 and FY05.)
- Code Enforcement: In 2004, the City contracted with the County to handle a portion of code enforcement, the rental housing inspections, at a savings of about \$50,000. While the City pays the County for the work involved, the cost is essentially offset by fees collected from landlords. Another advantage is that the County assigns more inspectors locally than the City did; meanwhile, the City retains oversight.

²² These grants include: National Recreational Trail Programs for the Metropolitan Branch Trail (\$29,747); Federal COPS grant (\$100,000); State Highway Administration Retrofit Sidewalk Program for Carroll Avenue (\$200,000); and Community Parks and Playground Grant for Toatley Fraser Park (\$45,000)

Housing and Community Development

- Both the County and the City administer licensing programs. The City is able to offset costs for this service by fees recovered for licenses. For FY05, administration of rental housing licenses is budgeted at \$178,000 while the projected revenues are \$175,000. Commercial occupancy licensing has not yet been implemented but will have fee structures that will enable it to operate on a break-even basis.
- Community Development and Grants Management: Funds invested in securing and managing grants are leveraged to secure considerable grants funding for capital projects. These funds are not offset, but considering that they yield more funding than is expended to secure them, this appears to be a good investment for the City. Further, the administration of community development at the local level helps to ensure the City's priorities are pursued.

Options and Recommendations

There are several options available to the City for addressing the costs of administering the Housing and Community Development Department. They include seeking a rebate from the County for duplicative or similar services, returning select housing and community development functions to the County, and entering into contractual arrangements with the County or a third party to administer services currently managed by the City.

Generating additional revenue for housing in Takoma Park

The following options are recommended:

- Rebate: The Committee recommends the City identify the housing functions that are the same or similar to those in the County and seek a rebate equivalent to the amount the County saves in not providing these services. Differences in codes should not be an impediment and are only relevant if the County were to take over administration of the services; and
- Contracted Services: The Committee recommends the City apply the successful model used for housing inspections to other services or functions that are appropriate for third-party administration. The most efficient contractor is likely to be the County since county staff can leverage economies of scale to reduce costs.

Exploring alternatives to city delivery of housing services

Transfer of Services: City staff has identified the services the County could provide and offered these options with the accompanying comments:

- Affordable housing, but the County would not necessarily follow policies consistent with City priorities;

- Code enforcement, but the service would conform to the county code;²³
- Community development, but there would be a lessening of community interaction and the County's priorities would prevail;
- Grants management, but the local focus would be diminished and the County would set priorities;
- Landlord-tenant services, but the City would have to revoke its landlord-tenant codes as well as rent stabilization. Further, it would lose local control over resolving landlord-tenant disputes; and
- COLTA, but the County would not review cases or complaints based on the City's code, as in the recent contracting with the County for rental housing inspections.

Summary

The City receives no rebates for housing and community development even though many of the services are the same or similar. However, in 2004 the City contracted with the County to handle a significant portion of code enforcement at a savings of about \$50,000.

The Committee offers the following recommendations for housing and community development:

- The City should request a rebate equivalent to the amount the County saves by not providing code enforcement, landlord-tenant services and other housing services in Takoma Park; and
- The City should identify housing services or functions that can be successfully contracted for third-party administration, as in the recent handoff to the County of the rental housing inspection program.

²³ If the county and city codes were made identical, it would clear the way for ceding code enforcement as well as other housing functions to the County. However, this would involve a debate over the City's rent stabilization program.

Section Five: Library

FY 2005 County Library Payment	\$ 89,674
County Cost Rebate Estimate	NA
City Cost Rebate Estimate	NA
Actual City Expenditure (excludes general administration and capital expenditures)	\$ 761,376

Background

The Takoma Park Library was first established in 1935, but did not become a municipal entity until 1963 when it became a city department. Until 1997, when the boundaries of Takoma Park were unified to place the City entirely in Montgomery County, the City received a payment from Montgomery County in acknowledgement of the City's library services provided to residents of two counties.

Following unification, Montgomery County questioned the need for the continuation of this payment and, more fundamentally, the need for Takoma Park to maintain the library given the proximity of two county libraries, each with larger resources and approximately two miles away. Montgomery County also signaled that it did not look favorably on the option of merging the City's library into the Montgomery County system of twenty-one libraries. Montgomery County policy on the placement of county libraries required a minimum distance of 2.5 miles between each library. The Takoma Park Library is 1.9 miles from the Long Branch library and 2.0 miles from the Silver Spring branch library of the county system. The City decided to continue operating the library after local residents staged enthusiastic rallies on the library grounds in favor of keeping it independent.

Today the City's library is an anachronism. The State of Maryland accords official "public" status only to county libraries, causing the Takoma Park Library to remain the only surviving municipal library in the state. Its status as a municipal library, not as a "public library" as recognized under state law, deprives the Takoma Park Library of state and federal funding and other public resources.²⁴ This requires the City to serve as the primary source of funds. The FY05 City budget provides for \$761,376 in funding for the library.

During past budget discussions with the City Council, supporters of the library have cited numerous justifications on the library's behalf:

- It is the only public library inside the City's borders;
- It provides a greater number and diversity of children's programs than nearby county branches;

²⁴ Baltimore City is considered a "county" in most aspects of state legislation. Thus Baltimore's Enoch Pratt Library is considered a "public" library.

Library

- It is located in immediate proximity to Takoma Park Elementary, Piney Branch Elementary and Takoma Park Middle School and serves as a de facto afternoon “study hall” for scores of latch-key children;
- It is an evening venue for tutoring and other learning activities, both for children and adults, many of whom lack private vehicles but live within walking distance;
- It is central to the City’s commitment to literacy training for a culturally diverse local population that includes many immigrants who speak English as a second language;
- It provides local, direct control of collections, acquisitions, and programs; and
- It houses special Takoma Park horticulture and history collections.

In addition, with the opening of Takoma Park’s community center later in 2005, the library staff will assume responsibility for operating a new computer learning center with a bank of 20 publicly available computers to be used for classes, tutorials, schoolwork and other activities.

Findings

The net operating costs of the City’s library are approximately \$650,000 annually and are funded by general revenues.

The County considers its two nearby library branches sufficient for the needs of the Silver Spring-Takoma Park area and does not pay the City a rebate based on the duplicative existence of the Takoma Park Library. However, as a vestige of the pre-unification subsidy, the County provides an annual payment of about \$90,000 for library operations.

Other revenue for the City’s library comes from fines. As noted above, lacking official “public” status, the library is ineligible for many standard government or private grants and has not been successful at other fundraising.

Table 10. FY05 Takoma Park Library Finances

Operating Expenses*	
(*Expenses of planned computer lab not included)	\$761,376
Operating Revenues	
County Payment	\$89,674
Library Fines	20,000
Total Revenues	\$119,674
Net Operating Expenses	\$641,702

The table below indicates that Long Branch and Silver Spring branches have more books, more staff, greater circulation and larger budgets. They also take advantage of economies of scale and centralized management. However, the Takoma Park Library provides more in the way of programs.

Table 11. Comparison of Takoma Park, Silver Spring and Long Branch Libraries²⁵

	FTE	Circulation 03	CalcBudget 04	Books 04	Programs 04
Takoma Park	8	85,243	\$761,376	59,815	317
Silver Spring	12	362,581	\$985,471	96,558	178
Long Branch	11.5	332,048	\$826,524	129,380	220

Options and Recommendations

The Committee considered a full range of options and tried to take into account the library's unique position in the Takoma Park community.

Generating additional revenue or reducing costs for the library

The Committee recommends the City investigate the following option to determine if significant costs can be cut while still maintaining an important civic role for the library.

- Save Money by Streamlining Library Services: It is possible significant savings may be secured by reducing the Library's collection and focusing on several core areas. Book collections could be limited to niche interests, and library programming could focus on a particular constituency, such as children, or on services such as literacy training or other educational classes. As an example, the Noyes Library for Young Children, located in Kensington, employs a specialized approach for children.

The Committee recommends the City launch a fundraising initiative on behalf of the library in cooperation with the Friends of the Library and other local supporters.

- Pursue Creative Avenues of Fundraising: Notwithstanding the challenges, the City has not exhausted all possibilities to raise independent funds for the library.

²⁵ The circulation figures are for FY03 because of construction work and partial closing of both the Takoma Park and Silver Spring libraries. The calculated budget column is a rough percentage of circulation to gross budget for the Silver Spring and Long Branch libraries, because branch budgets are not available. Furthermore, for these two libraries the column does not include materials, supplies, utilities or capital improvements – it is derived from personnel and operating budget columns only.

The following options are not recommended:

- Seek a Rebate from the County. The County regards the issue of a rebate as settled during negotiations that followed unification. To reopen those negotiations may jeopardize the current \$90,000 annual payment the library receives from the County; and
- Attempt to Secure “Public” Status for the Library. The status of the Takoma Park Library as a “public library” would improve the City’s ability to receive funds from the state of Maryland, the federal government, private foundations and other sources. However, Maryland law would need to be revised to accord such a change in status, and the Maryland state legislature historically has been hostile to the concept of municipal libraries. A lobbying campaign to secure “public” status would cost time and money and is unlikely to be successful.

Exploring alternatives to city delivery of library services

The City could save about \$650,000 by shutting down the library, but that would be the end of the library. In addition to its traditional function, the library serves city residents as a space for a wide range of programs, as an after-school haven for legions of latch-key kids and as a local center of literacy. The loss of the library would be a severe blow to the community.

The Committee evaluated the following options, but neither is recommended:

- Merge the Library into the County System: Even if the County agreed to take over operations and keep the library open, the Takoma Park branch would almost certainly be a low priority for the County and would be a likely target for closure in the event of county budget cutbacks.
- Eliminate City Funding for the Library: The library can be considered a duplicative service in that Takoma Park residents enjoy full privileges at the County’s two nearby branches, which provide many of the same services and offer a larger inventory of books and periodicals. However, the County libraries do not provide the personalized services and programs that City residents, especially children, are accustomed to at the City’s library.

Summary

As a vestige of an arrangement that existed when Takoma Park was divided between two counties, Montgomery County continues to pay the City an annual payment of about \$90,000 for library operations. However, the City receives no other county funding, nor is the City’s library eligible for federal, state or other traditional funding since, as the only surviving municipal library in the state, it lacks official “public” status.

The Committee offers the following recommendations for the library:

- The City should try to determine if significant savings can be achieved by transforming the library from one that offers general services to one that focuses on specialized services; and
- The City should launch a fundraising initiative on behalf of the library in cooperation with the Friends of the Library and other local supporters.